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DEPARTMENT OF THE INTERIOR

Bureau of Reclamation

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Notice of Availability and Notice of Public Meetings for the Draft Environmental Impact Statement for the Navajo Generating Station-Kayenta Mine Complex Project, Arizona

AGENCY: Bureau of Reclamation, Interior.

ACTION: Notice.

SUMMARY: The Bureau of Reclamation has made available for public review and comment the Draft Environmental Impact Statement for the Navajo Generating Station-Kayenta Mine Complex Project. The Proposed Action would provide Federal approvals and/or decisions necessary to continue the operation and maintenance of the Navajo Generating Station and associated facilities, the proposed Kayenta Mine Complex, and existing transmission systems.

DATES: Written comments on the Draft Environmental Impact Statement should be submitted on or before Tuesday, **November 29, 2016**.

Eleven public meetings will be held to receive comments, answer questions, and facilitate public involvement. See the SUPPLEMENTARY INFORMATION section for meeting dates and times.

ADDRESSES: Send written comments to the Phoenix Area Office, Bureau of Reclamation (ATTN: NGSKMC-EIS), 6150 W. Thunderbird Road, Glendale, Arizona 85306-4001; via facsimile to (623) 773-6486; or e-mail to NGSKMC-EIS@usbr.gov.

To request a compact disc of the Draft Environmental Impact Statement, please use

the contact information above, or call (623) 773-6254. The document may also be viewed at the Project web site at <http://www.ngskmc-eis.net>. For those without Internet access, a copy is available for public review and inspection at specified government and tribal offices during normal business hours. See the SUPPLEMENTARY INFORMATION section for specific locations.

FOR FURTHER INFORMATION CONTACT: Ms. Sandra Eto, (623) 773-6254, or by e-mail at NGSKMC-EIS@usbr.gov. Additional information is available online at <http://www.ngskmc-eis.net>.

SUPPLEMENTARY INFORMATION: Pursuant to the National Environmental Policy Act (NEPA) of 1969, as amended, 42 U.S.C. 4321-4347; the Council on Environmental Quality's Regulations for Implementing the Procedural Provisions of NEPA, 40 CFR Parts 1500 through 1508; and the Department of the Interior's (DOI) regulations, 43 CFR Part 46, the Bureau of Reclamation (Reclamation) has prepared this Draft Environmental Impact Statement (Draft EIS) that examines the potential environmental impacts from the Navajo Generating Station-Kayenta Mine Complex Project (Project). Cooperating agencies on the Draft EIS include the following:

- Federal Agencies – U.S. Department of Agriculture, Forest Service; U.S. Department of the Interior, Bureau of Indian Affairs, Bureau of Land Management, Fish and Wildlife Service, National Park Service, Office of Surface Mining and Reclamation Enforcement; U.S. Environmental Protection Agency
- Tribal Governments – Gila River Indian Community; Navajo Nation; Pueblo of Zuni

- Other Agencies – Arizona Game and Fish Department; Central Arizona Water Conservation District

The Proposed Action would provide Federal approvals and/or decisions necessary to continue the operation and maintenance of the Navajo Generating Station (NGS) and associated facilities, the proposed Kayenta Mine Complex (KMC), and existing transmission systems for an additional 25 years, from December 23, 2019, through December 22, 2044, plus decommissioning.

Background

The NGS is a coal-fired power plant located on trust lands leased from the Navajo Nation near Page, Arizona. The NGS provides continuous, long-term, reliable, and cost-effective baseload power to over one million customers in the region using coal from the nearby Kayenta Mine located on trust lands leased from the Navajo Nation and Hopi Tribe. The NGS and Kayenta Mine provide significant economic benefit to the Navajo Nation and Hopi Tribe, primarily through lease and mining-related revenue (e.g., coal royalties), and employment. The NGS is also the primary source of electricity for operation of the Central Arizona Project (CAP), and provides significant cost-savings to Native American tribes that receive CAP water. The CAP, a Federal reclamation project constructed by Reclamation, delivers over 1.5 million acre-feet of Colorado River water annually to tribal, agricultural, municipal, and industrial water users in Maricopa, Pinal, and Pima counties, Arizona.

The Salt River Project Agricultural Improvement and Power District (SRP) is the operating agent of NGS and holds a 42.9% ownership interest in NGS on its own behalf.

The other NGS co-owners and their proportionate share are Arizona Public Service Company (14.0%), NV Energy (11.3%), and Tucson Electric Power Company (7.5%). SRP also holds a 24.3% interest in NGS for the use and benefit of the United States of America (U.S.). The NGS co-owners and the U.S. are collectively referred to as the “NGS Participants.”

Current NGS Operation

SRP operates NGS pursuant to an Indenture of Lease with the Navajo Nation for the plant site, which has been in effect since December 23, 1969 (the NGS Lease). The initial term of the NGS Lease is 50 years (i.e., through December 22, 2019). Additionally, a Grant of Right-of-Way and Easement issued by DOI (323 Grant) encompasses the plant site, and another 323 Grant and Easement was issued for an adjoining railroad. The initial term of the 323 Grant for the NGS plant site expires at the end of 2019, while the initial term of the 323 Grant for the railroad expires in 2021. Because of the expiring leases and rights-of-way, continued operation of NGS beyond December 22, 2019, requires approval from multiple Federal agencies.

Current Kayenta Mine Operation

Coal that fuels NGS is supplied by the Kayenta Mine operated by Peabody Western Coal Company (PWCC). Like NGS, the operation of the Kayenta Mine requires approval from multiple Federal agencies. PWCC currently holds an active Surface Mining Control and Reclamation Act of 1977 (SMCRA) Permit (Federal Permit Number AZ-0001E) that authorizes PWCC to mine within the Kayenta Mine permit area. PWCC is seeking to revise its SMCRA Permit and life-of-mine (LOM) plan for the Kayenta

Mine in order to adjust and identify the timing and sequence of mining operations in certain coal resource areas through 2044, and to relocate portions of an existing road. PWCC is currently authorized to continue mining at the Kayenta Mine post-2019; the proposed revisions to the SMCRA Permit and LOM plan would increase operational efficiency. Additionally, PWCC is seeking to modify the existing permit boundary to incorporate into the Kayenta Mine permanent program permit area facilities located on the adjacent and now closed former Black Mesa Mine that are currently being used to support Kayenta Mine operations. Upon incorporation of these mining support facilities into the Kayenta Mine permit area, the future operation, if approved, would be identified as the KMC. The proposed KMC permit boundary expansion does not propose future mining of the coal resources remaining at the former Black Mesa Mine.

Current Transmission System Operation

The NGS is served by the Western and Southern transmission systems, each of which is supported by a 323 Grant. Off-reservation, these systems are supported by grants of easement from other agencies. The Southern Transmission System extends south from NGS to just north of Phoenix, Arizona; the Western Transmission System extends west from NGS to near Las Vegas, Nevada. Both transmission systems are part of the Western Interconnection, providing integrated and reliable transmission across the region well beyond the power generated by the NGS.

Under the Proposed Action, no construction, major replacement, or other activities beyond continued operation and as-needed maintenance are anticipated for the transmission line systems, substations, and communications sites. Ongoing maintenance,

repair, replacement, and improvement of the transmission lines would continue. These activities include infrequent aerial and ground inspection, repair and replacement of transmission system components, and right-of-way vegetation treatment to reduce safety hazards. The majority of all inspection and maintenance activities would occur along the existing right-of-way, serviced by existing roads leading to the regional highway system.

Other Compliance-related Activities

As part of its consideration of impacts on threatened and endangered species, Reclamation is in the process of formal consultation with the U.S. Fish and Wildlife Service (Service) pursuant to Section 7 of the Endangered Species Act, 16 U.S.C. 1536, and its implementing regulations, 50 CFR Part 400. The biological assessment of the Proposed Action prepared by Reclamation for consideration by the Service is available on the Project website: <http://www.ngskmc-eis.net>.

Reclamation is also conducting compliance activities pursuant to Section 106 of the National Historic Preservation Act, 16 U.S.C. 470f, as provided for in 36 CFR 800.2(d)(3) concurrently with the NEPA process, including public involvement requirements and consultation with the State Historic Preservation Officer(s) and Tribal Historic Preservation Officer(s). The draft programmatic agreements regarding management of historic properties potentially affected by the Proposed Action are available on the Project website: <http://www.ngskmc-eis.net>.

Alternatives Considered

The Draft EIS analyzes the direct, indirect and cumulative effects of the Proposed Action, three action alternatives, and a No Action Alternative.

a. Proposed Action.

Under the Proposed Action, all Federal approvals and/or decisions necessary to continue the operation and maintenance of the NGS and associated facilities, the proposed KMC, and existing transmission systems would be granted through December 22, 2044, plus decommissioning.

b. Natural Gas Partial Federal Replacement Alternative.

Under this action alternative, the same Federal approvals and/or decisions required for the Proposed Action would be granted; however, a portion of the energy produced at NGS for the U.S. would be curtailed and replaced by a corresponding amount of energy from existing natural gas resources.

c. Renewable Partial Federal Replacement Alternative.

Under this action alternative, the same Federal approvals and/or decisions required for the Proposed Action would be granted; however, a portion of the energy produced at NGS for the U.S. would be curtailed and replaced by a corresponding amount of energy from existing renewable energy resources.

d. Tribal Partial Federal Replacement Alternative.

Under this action alternative, the same Federal approvals and/or decisions required for the Proposed Action would be granted; however, a portion of the energy produced at NGS for the U.S. would be curtailed and replaced by a corresponding amount of energy from a newly constructed photovoltaic solar facility on tribal land.

e. No Action Alternative.

Under the No Action Alternative, Federal approvals and/or decisions required for

the continued operation and maintenance of NGS and associated facilities would not be granted and NGS would be decommissioned by 2020. The proposed KMC would not be authorized and final reclamation of the Kayenta Mine would commence when power generation ends at NGS. The right-of-way for the existing transmission systems would not be granted; however, because these power lines are part of the Western Interconnection, the transmission owners would likely seek authorization of the transmission system under a separate and future process.

Public Meeting Information.

Eleven public meetings to receive comments, answer questions, and facilitate public involvement will be held on:

1. Monday, October 24, 2016, 10 a.m. to 1 p.m., Burton Barr Central Library, Pulliam Auditorium, 1221 N. Central Ave., Phoenix, Arizona.
2. Monday, October 24, 2016, 5 p.m. to 8 p.m., Dorothy Powell Senior Adult Center, Dining Room, 405 E. Sixth St., Casa Grande, Arizona.
3. Tuesday, October 25, 2016, 4 p.m. to 7 p.m., Page Community Center, Cafeteria, 699 S. Navajo Dr., Page, Arizona.
4. Wednesday, October 26, 2016, 9 a.m. to 12 p.m., LeChee Chapter House, 5 miles south of Page off of Coppermine Road, LeChee, Arizona.
5. Wednesday, October 26, 2016, 4 p.m. to 7 p.m., Tuba City Chapter House, 220 S. Main St., Tuba City, Arizona.
6. Thursday, October 27, 2016, 10 a.m. to 1 p.m., Shonto Chapter House, E. Navajo Route 221, Shonto, Arizona.

7. Tuesday, November 1, 2016, 4 p.m. to 7 p.m., Monument Valley High School, Cafeteria, Highway 163 and Monument Valley Blvd., Kayenta, Arizona.
8. Wednesday, November 2, 2016, 10 a.m. to 1 p.m., Tewa Community Center, Multipurpose Room, Highway 264 at Milepost 392.8, Polacca, Arizona.
9. Wednesday, November 2, 2016, 4 p.m. to 7 p.m., Hopi Day School, Gym, ¼ mile east of the Village Store on Main St., Kykotsmovi, Arizona.
10. Thursday, November 3, 2016, 10 a.m. to 1 p.m., Forest Lake Chapter House, 17 miles north of Pinon on Navajo Route 41, Pinon, Arizona.
11. Friday, November 4, 2016, 10 a.m. to 1 p.m., Navajo Nation Museum, Conference Room, Highway 264 and Postal Loop Road, Window Rock, Arizona.

Navajo interpreters will be present at meetings on the Navajo Nation and Hopi Reservation; Hopi interpreters will be present at meetings on the Hopi Reservation and Tuba City, Arizona. A court recorder will be available to take oral comments from the public during all meetings.

Public Review and Where to Find Copies of the Draft EIS.

A copy of the Draft EIS is available for public review and inspection at the following locations:

- Bureau of Reclamation, Phoenix Area Office, 6150 W. Thunderbird Road, Glendale, Arizona.
- Natural Resources Library, U.S. Department of the Interior, 1849 C Street NW, Main Interior Building, Washington, DC.
- Bureau of Indian Affairs, Navajo Regional Office, 301 West Hill Street, Gallup,

New Mexico.

- Office of Surface Mining and Reclamation Enforcement, Western Regional Office, 1999 Broadway Street, Suite 3320, Denver, Colorado.
- Glen Canyon National Recreation Area Headquarters, 691 Scenic View Road, Page, Arizona.
- Casa Grande Public Library, 449 N. Drylake Street, Casa Grande, Arizona
- Hopi Tribal Headquarters, Main Lobby, 123 Main St., Kykotsmovi, Arizona.
- Navajo Nation Library, Highway 264 and Postal Loop Road, Window Rock, Arizona.
- LeChee Chapter House, 5 miles south of Page off of Coppermine Road, LeChee, Arizona.
- Tuba City Chapter House, 220 S. Main St., Tuba City, Arizona.
- Shonto Chapter House, E. Navajo Route 221, Shonto, Arizona.
- Kayenta Chapter House, Highway 163, Kayenta, Arizona.
- Forest Lake Chapter House, 17 miles north of Pinon on Navajo Route 41, Pinon, Arizona.

Special Assistance for Public Meetings.

If special assistance is required at the public meetings, please contact Ms. Tania Fragomeno at (858) 926-4022, or e-mail your assistance needs to NGSKMC-EIS@usbr.gov, along with your name and telephone number. Please indicate your needs at least two weeks in advance of the meeting to enable Reclamation to secure the needed

services. The requestor will be notified if a request cannot be honored.

Public Disclosure.

Before including your address, phone number, e-mail address, or other personal identifying information in your comment, you should be aware that your entire comment – including your personal identifying information – may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Dated: September 2, 2016.

David Palumbo
Deputy Commissioner for Operations
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